

**CEO
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BioSciences
Inc.**Issue:
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Pressure BioSciences' Pressure Cycling Technology is Bringing a Level of Quality and Standardization to the Preparation of Samples that Does Not Exist Today in Forensics, Pathology, Infectious Diseases, Drug Development, and Biomarker Discovery

**Healthcare
Medical Appliances & Equipment
(P BIO-NASDAQ)**

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**Richard T. Schumacher
Founder, President and CEO**

Company Profile:

Pressure BioSciences, Inc. ("PBI") (Nasdaq:PBIO) is focused on the development, marketing, and sale of proprietary laboratory instrumentation and associated consumables based on Pressure Cycling Technology ("PCT"). PCT is a patented, enabling technology platform with multiple applications in the estimated \$6 billion life sciences sample preparation market. PCT uses cycles of hydrostatic pressure between ambient and ultra-high levels to control bio-molecular

interactions. PBI currently focuses its efforts on the development and sale of PCT-enhanced sample preparation systems (instruments and consumables) for mass spectrometry, biomarker discovery, bio-therapeutics characterization, vaccine development, soil and plant biology, forensics, histology, and counter-bioterror applications.

**Interview conducted by:
Bud Wayne, Editorial Executive
CEOCFO Magazine**

CEOCFO: Mr. Schumacher, how did Pressure BioSciences get started?

Mr. Schumacher: Pressure BioSciences started operations related to our current focus in high pressure in 2005, but it actually has a long and interesting history. I founded the Company back in 1978 as Boston Biomedica, Inc. (BBI), at a time when I was working in research at Harvard Medical School. It was a part-time hobby for a few years, but the entrepreneurial bug bit me, so I left Harvard in 1985 with a goal to build BBI into a real company. With the help of a lot of hardworking, dedicated people, we succeeded. We grew to 300 staff, 500 products, several thousand customers, and recognition as a leader in the field. We went public in 1996 (NASDAQ: BBII) and by 2004 we were considered the best in class in the products we provided worldwide – infectious disease quality controls used to ensure the accuracy of HIV, hepatitis, and other such tests. Although successful, it was clear that BBI was significantly undervalued, so in late 2004, we broke the company into five pieces and sold them off in an asset sale for far more than the

value of the whole. I kept two pieces. One was an HIV drug discovery program, which we named Panacos Pharmaceuticals. We merged Panacos with a small public company in 2005. Panacos became a darling on Wall Street, and by 2006, it had a market cap around \$600 million. Since we did an asset sale, I was able to keep the legal structure of BBI, which I renamed Pressure BioSciences, Inc. We changed the stock symbol to PBIO, and changed the business plan to focus on the development and sale of products based on claims in issued and pending patents that related to the use of pressure to control the actions of molecules.

CEOCFO: What is the vision for Pressure BioSciences today?

Mr. Schumacher: We focus our efforts on solving the challenging problems inherent in biological sample preparation, a crucial laboratory step performed by nearly all scientists worldwide working in biological life sciences research.

Sample preparation is a term that refers to a wide range of activities that precede virtually all forms of scientific analysis. Sample preparation is often complex, time-consuming, and one of the most error-prone steps of scientific research. It is none-the-less a ubiquitous laboratory undertaking whose requirements we believe drive a large and growing market, worldwide.

We have developed and patented a novel, enabling technology platform that can exquisitely control the sample preparation process. It is based on harnessing the unique properties of

high hydrostatic pressure. This cutting-edge process, called pressure cycling technology ("PCT"), uses alternating cycles of hydrostatic pressure between normal and ultra-high levels (35,000 psi or greater) to safely, conveniently, and reproducibly control the actions of molecules in biological samples (e.g., cells and tissues from human, animal, plant, and microbial sources).

We have all heard the expression "garbage in, garbage out". This is very true in scientific research. If you do a poor job of preparing your sample prior to analysis, you are most likely going to get a poor result after analysis. Our vision is to develop better methods for preparing samples from the get-go, so the scientist, whether they are working in cancer, heart disease, or any other area of research has a better chance of finding the missing link – for discovering a cure. We have a saying at PBI, which we believe sums up the importance of what we do: Discovery starts with Sample Preparation.

CEO CFO: Pressure Cycling Technology is used for example in sample separation; could the development of these products be done without it or is it just a faster and better way to do it?

Mr. Schumacher: The market into which we are selling our products already exists. Methods are being used by an estimated 500,000 researchers around the world to break open samples for subsequent analysis. But the problem, we believe, is that because many of these methods were developed years ago, they were not made for the sophisticated instruments of today. The world has spent billions of dollars over the past several decades developing incredibly powerful analytical instruments, but the development of methods to properly prepare samples for analysis by these instruments has lagged far, far behind. To that end, we believe our PCT Platform can bring a level of quality and standardization to the preparation of samples that does not exist today – this is both very exciting and very ful-

filling to us at PBI...and most importantly, there have even been reports, several of which can be found on our website, that indicate that our PCT-based products have even been shown to extract proteins from some samples that have never been extracted from that sample before. Now, that is exciting!

CEO CFO: Your technology is used in mass spectrometry, biomarker discovery, bio-therapeutics characterization, vaccine development, soil and plant biology, forensics, histology, and counter-bioterror applications. Is there one flagship product with different applications or different products for each industry?

Mr. Schumacher: The field of sample preparation is very large: we think it is between \$6 and \$8 billion per year, worldwide. This market is segmented

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into many different fields, such as forensics, pathology, infectious diseases, drug development, and biomarker discovery. The really neat thing about our PCT Platform is that we believe we will be able to develop different instruments and consumables for many of these different fields. That said, each instrument will still be based on the same core technology of cycled pressure, but the way we design the instrument, and especially the consumables, can and probably will need to be different for different types of applications. So, it is the best of both worlds – we can have different instruments and consumables for different markets, so we can differentiate products and fine tune them for the markets they serve, but the development costs will be minimal, once the core product has been developed.

CEO CFO: What is your revenue model and is there a razor/razor blade component?

Mr. Schumacher: It is a razor/razorblade model. We have three instruments that are completely developed, proven to be robust and highly functional, and in the field. We have also developed about a dozen different consumables. These are the processing containers and test tubes that go into the instrument, that have been specially made to work under such intense pressures. The processing containers/test tubes are one time use only. Each sample to be tested needs its own container/tube. Once used, it should not be used again. So it is truly a razor/razor blade business model.

CEO CFO: Who are some of the Pressure BioSciences customers?

Mr. Schumacher: We have customers in the four major parts of life science. One is pharma, where we have customers such as Amgen, Biogen, Merck, and Lilly. In academia, we have fine institutions such as Harvard, Stanford, UCLA, The University of New Hampshire and Northeastern. In government, we have the USDA, CDC, FBI, FDA and the NIH. In biotechnology,

we have ThermoFisher Corporation, perhaps the largest life sciences instrument company in the world, and quite a few others. In total, we have about 150 customers, and about 200 PCT instrument systems placed to date.

CEO CFO: You recently announced a distribution agreement with a major life sciences company in the Netherlands, LA Biosystems BV; how does that changed the face and future for Pressure?

Mr. Schumacher: We announced in December a distribution agreement with a terrific company in Germany called IUL Instruments, and just a couple weeks ago we announced a distribution agreement with LA Biosystems in Holland. These two groups will cover the Netherlands, Belgium, Luxembourg, Germany, and Switzerland. With our three existing distribu-

tors, we are up to five. Our goal is to have 10 or more additional distributors signed up before this year is out and up to 20 before the end of 2013. We have done it before; I believe we will do it again. The plan is that we are going to sell our PCT product line through an extensive distribution network outside of the US...the two companies we announced recently are the beginning of that network. Therefore, investors should continue to expect us to announce distribution contracts as the year goes on, as we fulfill our plan. Conversely, inside the US, our plan is to market and sell through a combination of strategic partners and PBI sales personnel. To that end, we announced a deal in early February with a wonderful company here in Massachusetts called Digilabs, which is also in the sample preparation field. Although we address the same market, we have very little overlap with our respective product lines. Investors should expect us to continue to announce strategic partnerships, anywhere from small companies to perhaps much larger, international ones, as this year progresses.

CEO CFO: Where are your products manufactured and are you ready if you need to ramp up?

Mr. Schumacher: Our instruments are manufactured by a group we have been working with that we actually owned many years ago called Source Scientific in Irvine California. They are a wonderful contract manufacturing company. They are partly owned by one of the larger contract manufacturing companies for life science equipment in the world. Source makes a tremendous product for us. We are very satisfied. The instruments are high quality and robust. As for ramp-up, because they have partnered with one of the largest contract manufacturers in the life sciences

space in the world we believe that a ramp-up, even if significant, will not be an issue.

CEO CFO: Is there any recent news that we should be aware of?

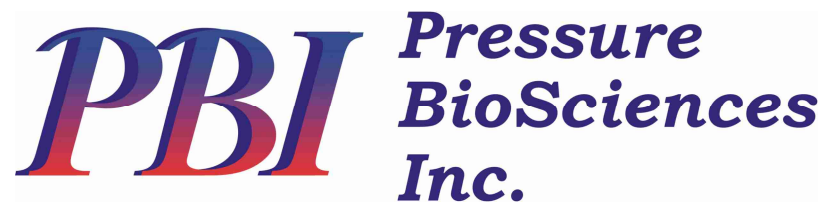
Mr. Schumacher: This week we have had two announcements released about our technology. On Wednesday the 7th of March, we sent out a press release that discussed a presentation at the annual BioPhysical Society by Dr. Wayne Hubbell, the Distinguished Professor of Biochemistry at UCLA. Dr. Hubbell uses our pressure-based instruments in a field where it has never been used before. The acronym for the field is EPR. Using our pressure generating instrument, he has been able to look at proteins with EPR in a way that has not been able to do before. This is very exciting – and very satisfying. He remarked that he believed that the use of pressure in studying proteins would enhance the understanding of the movement and function of proteins going forward, which he said could improve drug discovery and drug design. That statement put a smile on a lot of faces at PBI, for it makes all those long days and nights worthwhile.

The press release sent out on Friday, March 9th announced our collaboration with Dr. Henry Lee, who is considered by many as one of the world's leading forensic scientists. This is the gentleman who was on the O.J. Simpson case, the Laci Peterson case, the Jon Benet Ramsey case, and many others. He has been involved in helping to solve approximately 6,000 cases. He is an incredible forensic scientist. He told us that there are a number of areas in forensic science where the samples are extremely difficult to study, because it is extremely difficult to break open the sample. He believes that some of

these samples, if part of a crime scene, might have a lot of relevance to finding the bad guy. So, we will be working with Dr. Lee and his team at the Henry C. Lee Institute of Forensic Science to try and develop PCT-based methods to get through this blockade. We are very excited about this, because we know that Dr. Lee is not only a marvelous man, but he is also one of the top forensic scientists in the world. To have him using our instrument in an attempt to understand the power of this instrument in forensics is something that one can usually only dream about.

CEO CFO: In closing, what is the financial picture for Pressure BioSciences today and what should investors be aware of?

Mr. Schumacher: This is a company that has survived and grown, while having to live hand to mouth for the past four years. We have completed six placements over this time, all but one of which were done at or above market. Some in the investment community have not liked this band aid approach, but it has kept us going and allowed us to develop a full line of instruments and consumables, to expand our customer base, to expand our patent portfolio, and to support our customers as they publish and present their PCT derived data. That said, we believe it is now time to fund the company in a way that will allow us to aggressively commercialize our PCT Platform for the first time, and, we believe, to generate increased revenue, as we march towards profitability. Investors should expect to see continued signs of our commercialization plan being effectuated as the year goes on. These are very exciting times for all stakeholders in PBI...we believe this is the time we have worked so hard to make happen.



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